

ROLE OF NGOS AND SELF-HELP GROUPS (SHGS) IN PROMOTING COOPERATIVE ENTREPRENEURIAL CULTURE AMONG RURAL WOMEN – A CASE STUDY OF COASTAL KARNATAKA

RAMAKRISHNA. B¹ & RAMA MOHAN RAO²

¹Research Scholar; GITAM Institute of Management, GITAM University, Visakhapatnam, Andhra Pradesh, India

²Associate Professor, GITAM Institute of Management, GITAM University, Visakhapatnam, Andhra Pradesh, India

ABSTRACT

In a gender biased society of India the women to a greater extent deprived of freedom of mobility and economic independence. She has been restricted to the space between the four walls of the kitchen and household chores to a greater extent. The male dominant Indian society fails to realize the contribution of women, directly or indirectly, in the socio-economic life of the family and society at large. Her life ends up in just managing household chores and taking care of husband, children and other members of the family depending either on husband or children even for her personal requirements and choices. This paper is an attempt how Self Help Groups (SHGs) act as the catalyst for the promotion of entrepreneurial activities among rural women and empower them to be economically self-reliant and independent. The study also emphasizes initiatives taken by the NGOs in supporting the Self-Help Groups (SHGs) and members to venture in entrepreneurial activities and achieve financial independence.

KEYWORDS: Co-Operatives, Co-Operative Entrepreneurship, Self Help Groups, Women Empowerment & Non-Governmental Organizations (NGOs)

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INTRODUCTION

The entrepreneurial activities and innovation are inevitable for the sustainable development of the society and the nation at large. However, it is evident from the various researches and studies that the entrepreneurial activities are not open to everyone and there exists a clear 'gender-gap', especially in patriarchal rural India. There are various reasons attributed to such discriminations. In order to ensure a sustainable economic development, due emphasis has to be given to involve and promote the status of rural women who constitute more than 48% of the rural population. The women could take initiatives to venture in entrepreneurial activities to assume the role of potential producers and suppliers rather than mere buyers.

Women Entrepreneur

Women Entrepreneurship encourages the participation of women in income generating activities and financial independence. To define, women entrepreneurs "is a woman or a group of women who initiate, organize and operate a business enterprise". To be precise, 'it is either a woman or a group of women who innovates, imitates or adapts an economic activity to gain financial independence'.

Institutional Support

The Central Government and also the State Governments introduced various schemes and programmes to encourage the women entrepreneurs both in farm and non-farm entrepreneurial activities and other micro-enterprises. Some of the programmes initiated by the government and non-government agencies encouraging the promotion of women entrepreneurs providing training and guidance include – Women's Corporate Finance Corporation (WCFC), Federation of Societies of Women Entrepreneurs (FSWE), Small Entrepreneurship Development Institute of India (SEDII), District Industrial Centre (DIC), Development of Women and Children in Rural Areas (DWCRA), Integrated Rural Development Programme (IRDP), Prime Minister's Rozgar Yojana (PMRY), Training of Rural Youth for Self-employment (TRYSEM), etc. However, all these programmes and schemes were not completely effective in encouraging the women's participation in financial and entrepreneurial activities. In addition, a Consortium of Women Entrepreneurs of India (CWEI) was set up in 1972 which was accredited to Government of India and as a member of National Board, Ministry of MSME. The CWEI initiated a new programme called 'SHASHWAT' to provide common facilities and incubators in rural areas for the promotion of women entrepreneurial activities.

Co-operatives and Promotion of Women Entrepreneurial Activities

The Co-operative movement in India originally has its focus on the progress in agriculture and allied activities. Co-operative societies include wide range of activities like credit, agricultural activities, dairy, irrigation, housing, farming, fisheries, electricity, industrial activities, entrepreneurial activities, etc. As on 2004-05, there were 2,62,100 co-operatives at central level with a membership of 77,22,630 and 5,80,590 co-operatives at the primary level with a membership of 24,20,03,789 members and as per 2007-08 estimates, there were above 1,50,000 co-operatives operating at the primary level. In addition, there were 12,428 Women Co-operatives operating at the primary level with a total membership of 12,57,368 so as to promote women empowerment and entrepreneurial activities. In spite of all the efforts, traditional co-operatives follow an administrative structure not feasible and conducive to the women to participate freely in entrepreneurial activities and failed to attract and encourage the women to venture in such activities.

Self Help Groups in the Promotion of Women Entrepreneurship

Self-help groups represent a form of intervention that is a radical departure from the tradition programmes. They are the effective strategy for the alleviation of poverty, human development, and social empowerment. The self-help groups in association with NGOs and governmental organizations have the potential to transform themselves into vibrant civil society organizations through participation. SHGs follow a unique strategy to provide financial intermediation by enabling the members of SHGs to have an access to economically viable and low-cost financial services. SHGs have also been acting as the agents of banking and financial inclusion in rural areas.

A good number of financial inclusion initiatives by the Government of India, RBI and refinancing facilities to the members of Self Help Groups through NABARD contributed extensively in promoting women entrepreneurial activities. The efforts made by the Indian Government as well as the Reserve Bank of India have been undertaking financial inclusion policy initiatives in a rigorous way introducing provision for new products, relaxation of regulatory guidelines to attain a sustainable financial inclusion for the promotion of entrepreneurial activities such as Self Help Groups – Bank Linkage Programme (BSLP) started as a pilot project to extent the financial services to the rural poor and disadvantaged by NABARD in 1992, Micro-finance facilities, etc.

In order to have a better understanding of the topic chosen for the study, it is essential to make a review of the literature available on various works undertaken by the researchers and authors. It has been observed by the researchers that “the NGOs and SHGs created a platform for the development of the culture of self-reliance through cooperativeness among the rural women” (Joel & Bose, 2003). To emphasize the importance of NGOs the researchers state that, “they form a prominent part of the ‘development machine’ in rural areas, where the government schemes fail to reach the rural poor” (Manji & Coill, 2002). The report by NABARD highlights that “the financial services, wherever provided to women contributed significantly to their income and productivity which could ensure both their economic security and family welfare” (Reserve Bank of India's Working Group, 1995). Manimekalai and Rajeshwari in their study stated that “the income of SHG women almost doubled after availing microcredit for productive investment. Moreover, the members of the SHGs developed a sense of leadership, organizational skills, ability to manage small business activities and marketing, etc.” (Manimekalai & Rajeshwari, 2001). As stated by Mahanta et. al, “the SHGs are instrumental in setting up a number of microenterprises for income generation at rural areas and highlighted the role of non-political organizations and NGOs to convert micro-credit into microenterprises” (Mahanta, Rathul, & Barbora, 2002). It has been understood that SHGs with the support of NGOs opened up new avenues for the rural women for additional opportunities for gainful employment and growth of micro-enterprises. Moreover, they created scope for occupational diversification and mobility of women in rural areas. The study is focussed on highlighting the role of SHGs and the support extended by the NGOs in promoting cooperative entrepreneurial culture among rural women.

OBJECTIVES OF THE STUDY

This paper aims at how the Self Help Groups (SHGs) contribute in promotion of co-operative entrepreneurial activities among rural women in order to achieve social and economic empowerment and thereby developing a psychological feeling of personal worth and dignity. The study also focuses on identifying the difficulties involved among rural women and members of the self-help groups (SHGs) in venturing into entrepreneurial activities and feasible suggestions based on the findings of the study.

METHODOLOGY

Data Source and Literature Survey

The findings of this paper based on a case study of the Self-Help Groups working under the aegis of Navodaya Grama Vikasa Charitable Trust (NGVCT), Shree Kshetra Dharmastala Rural Development Project (SKDRDP) and government-sponsored women self help groups (Stree Shakti) operating in Coastal Karnataka generating opportunities for rural women to venture into entrepreneurial activities. The findings of this paper based on the first-hand information collected through personal interviews and the responses to the questionnaire issued to the members of the randomly chosen Women Self Help Groups in and around Coastal Karnataka. The respondents were requested to provide information on their profile, social and economic status (prior to and after joining the SHGs), and also questions seeking information about the role of the WSHGs in encouraging, assisting, facilitating, training, and monitoring them in venturing into entrepreneurial activities, difficulties and problems they encounter and manage, emotional and psychological impact and changes, etc. Moreover, a study hypothesis was developed based on the secondary sources of knowledge in various journals and books, other documented published works and also the data gathered from online sources.

FINDINGS OF THE STUDY

A total of 230 members acted as respondent randomly chosen from 80 Women Self Help Groups (WSHGs) operating in and around three districts of Coastal Karnataka (Dakshina Kannada, Udupi and Karvar). The members come from the diverse social, religious, economic, cultural backgrounds. Respondents involve Hindus (63%), Muslims (16%), Christians (18%) and others (3%). The forward community members are in majority (56%) in comparison to the backward community members (29%) and SC and ST (11%) and others (04%). More than 69% of the respondents are from the BPL category and the rest are from different income segments ranging from Rs. 18,000 to Rs. 3 lakhs per annum. Following are the two major categories of activities wherein the members of the Women Self Help Groups (WSHGs) are involved.

- Agriculture and Allied activities (vegetable cultivation, dairy farming, beekeeping, piggery, horticulture, mushroom cultivation, jasmine cultivation, floriculture), Poultry Farming, vermi-composite, Energy Technologies (biogas, solar energy), and
- Rural Entrepreneurship Development Programmes (lavancha cultivation, herbal perfume oil unit, coir-rope unit, candle making unit, tailoring, screen printing, petty shops and grocery shops, catering, confectionaries, sweets and condiments units, dry fish units, areca plate units, manufacturing of fancy items, dolls, production of detergent cakes, powders, phenyl, washing liquid, scouring powder, etc.).

It was also observed during the study that in southern Coastal Karnataka region the members of the SHGs either considering these activities as an additional income generating source as pastime activity or an additional source of income. However, those who involved on full-time basis, after the regular work hours take up Beedi Threading as an additional source of income wherein they could earn on an average Rs. 75 per day. In northern Coastal Karnataka region, the members of the SHGs carry on farm-related activities along with these entrepreneurial activities. The respondents answering the question why they have opted to join Self Help Groups and take up micro-entrepreneurial activities express the reasons like – dire financial need and support, need of extra income, drive to venture in such entrepreneurial activities with minimum risk and support, as leisure time activity, a source of self employment (especially to those women who are unemployed and in need of a job), an opportunity to participate in social meetings and gatherings, etc.

NGOs and Women Empowerment Initiatives

There are a good number of Self-Help Groups either supported or managed by the non-governmental organizations (NGOs) especially to encourage women in rural areas to participate in income-generating cooperative entrepreneurial activities. Navodaya Grama Vikasa Charitable Trust and Shree Kshetra Darmastala Rural Development Project (SKDRDP) are prominent among the Non-Governmental Organizations (NGOs) in the Coastal Karnataka (Devaraj, Vidyavathi, & Jayakumar, 2010) who undertake various entrepreneurial training programmes, provides financing facilities through SHGs-Bank Linkage programme, Microfinance facilities, insurance facilities, infrastructural support and also regular monitoring and guidance support to the members of the SHGs. The SKDRDP as an NGO promoted and manage the Self-Help Groups like Pragathibandhu and also Women Self-Help Groups' participative initiatives such as Jnana Vikasa Kendras to enhance mobility and participation of rural women. Members of the SHGs express their happiness and highlight the benefits of

- Participating in entrepreneurial activities given them an opportunity of employment and also the SHG-Bank linkage and Microfinance facilities reduced their dependency on unorganized financial sectors and money lenders,
- The SHGs managed by the NGOs provide them marketing support, common infrastructural facilities, industrial training facilities, bulk purchasing options, etc.
- In addition to an increase in income through gainful employment, NGOs and SHGs also instrumental in instilling the leadership qualities, organization skills, capacity to run various business activities with enhanced risk-taking mind-set.
- Participation in group entrepreneurial activities also helped the women members of the SHGs to not only economic independence but also empower themselves psychologically with a better understanding of their rights, legal provisions and also attain gender equality with improved mobility at the family as well as societal level (Chalapathi, Raghavulu, & Hari Prasad, 2008).

PROBLEMS AND SUGGESTIONS

The problems encountered by the members of WSHGs as hurdles in their entrepreneurial activities and the probable suggestions as listed based on the inferences drawn from the respondent's explanations during the survey.

Problems

The major problems identified during the study with respect to the participation of women in entrepreneurial activities are:

- A perceptual block of feeling the entrepreneurship more a masculine activity dominated by the men (Riebschelger & Fila, 2009)
- Financial problems such as poor access to the financial sources and funds, delay in sanction of loan facilities, a problem of surrendering collateral securities to get the credit facilities, etc.
- Personal and family problems, lack of support from the family members, household responsibilities, etc.
- Poor guidance, support and training facilities,
- Poor competitive capacity with large producers, low price and poor profit margin, and ineffective marketing networks, (Anil & Divya, 2008)
- Lack of infrastructural facilities, non-availability of required raw materials, and so on.

Suggestions

The following are some of the feasible suggestions to overcome the problems and encourage the rural women to participate in income-generating entrepreneurial activities.

- Educate and encourage the rural women about the opportunities available and participate in social and economic activities.

- Develop facilities for group ventures, collective marketing, and bulk buying provisions to the members of the SHGs.
- Develop centralized common infrastructure facilities and workshops.
- Ensure necessary training and guidance with the involvement of training agencies, tie-ups with technical training institutes and educational institutes in the vicinity for short terms skill development sessions.
- Conducting Entrepreneurship Awareness programmes to educate the rural mass about the options, facilities and financial support available for new entrepreneurial start-ups from the government agencies, NGOs and others.
- Encourage the trained women in the local areas to act as facilitators and advisors
- Initiate linkage programmes of SHGs with Academic institutes, Banking, and Financial agencies, and other service-oriented organizations to support the women entrepreneurs.
- Prepare and provide the manuals carrying details of entrepreneurial opportunities and guidelines as reference material (UNIDO),
- Establish a collaborative and co-operative platform for women entrepreneurs,
- Establish a link between small and medium women entrepreneurs for a better interaction and understanding of the prevailing business conditions and possibilities, and
- Develop competencies needed among women for entrepreneurial ventures, etc.

CONCLUSIONS

Women constitute almost half of the country's population of which 56% women are unemployed. Therefore, encouraging women entrepreneurship helps them to achieve financial independence. "Be it in rural or urban areas, be it in micro or medium and large enterprises, women must be an integral part of development, not only as beneficiaries but also as decision-makers and change agents" (UNIDO, 2013). Therefore, UNIDO suggests, a bottom-up growth strategy to create an enabling business regularity environment in which women can take up initiatives for advancement in strengthening their entrepreneurial capabilities collectively through Self Help Groups (SHGs). Promotion of micro, medium and small entrepreneurial units has been emphasized as the tool to achieve economic empowerment of women. The Self Help Groups strengthen the women as members collectively to acquire opportunities for co-operative entrepreneurship. Co-operative Entrepreneurial activities promoted by the SHGs enable the rural women to fight gender bias, increased mobility of women and their network (Dwivedi, 2004). Self Help Groups offers the supports and measures needed to promote entrepreneurial activities such as training programmes for skill development, peer mentoring, access to low cost and timely credit facilities, technical assistance and suggestions, marketing support, etc. (Vaidyanathan, 2013). SHGs are useful in finding the solution to the barriers to the growth of women entrepreneurial activities.

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